

Assessing the Unfavorable Influence of National Environment on Project Performance

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Abstract

It is well-known that an international project is more difficult to manage than a domestic project; the major reason is the difference in the host country situation for foreign companies. In this research national environment factors are identified from literature and their unfavorable influence on domestic and international projects is studied. For this purpose an international project is defined as a project where the host country is different from the origin of the company. The identified main factors are political, legal, economical, social & cultural, technological and physical environments. The data is collected through a questionnaire and personal interviews from Pakistani, German and other international companies running their projects in Pakistan.

One way ANOVA is performed with Post Hoc test on the collected data. It is found that the F value is greater than 7 in political, legal, economical, social & cultural and physical environments. This shows significant differences in the unfavorable influence on Pakistani, German and other international projects. However, no significant difference is found in the unfavorable influence of the technological environment where the F value is less than 1. Post Hoc test results show that the unfavorable influence of the national environment is higher in the international projects than domestic projects.

Keywords: International projects, project performance

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